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ABSTRACT

The direction of federal and state policy toward independent higher education is summarized with particular focus upon the last two decades leading up to present data collection efforts by the National Center for Education Statistics (NCES) and state governments. After a review of the usefulness of the Higher Education General Information Survey (HEGIS) to independent institutions and the NCES plans for future data collection, the lack of responsiveness to the needs of the independant sector at both the federal and state levels and the consequent need for a national asscciation, the National Association of Independent Colleges and Universities (NAICU) and the formation of a State-National Information Network for Independent Higher Education are described. The rest of the paper describes the objectives of this Network and the need for specific data collection to service the public policy concerns of the independent sector. The concluding section discusses the implications for institutional research in the independent sector. (Author/JMD)

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A STATE-NATIONAL INFORMATION NETWORK

FOR INDEPENDENT HIGHER EDUCATION

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ABSTRACT

This paper summarizes the direction of federal and state policy toward independent higher education with particular focus upon the last two decades leading up to present data collection efforts by the National Center for Education Statistics and state governments. After a review of the usefulness of the Higher Education General Information Survey to independent institutions and the National Center for Education Statistics plans for future data collection, the author describes why the independent sector felt the need for a national association and the formation of a State-National Information Network for Independent Higher Education. The rest of the paper describes the objectives of this Network and the need for specific data collection to serve the public policy concerns of the independent sector. The concluding section discusses the implications for institutional research in the independent sector.

A STATE-NATIONAL INFORMATION NETWORK FOR INDEPENDENT HIGHER EDUCATION

The Role of Federal and State Governments in Postsecondary Education

As educators look to federal and state governments for support of higher education, they tend to view the needs of the institutions they serve as important to Congress and state legislatures. Although the development of postsecondary institutions of various types has been considered important at various times in our history by both the federal and state governments, institutions generally have been regarded as a means to achieve the larger social ends of educating persons to fill various manpower needs of society.

For the early colonies, the need was for clergymen, lawyers, doctors and teachers -- thus the development of the liberal arts colleges and professional schools. As the industrial revolution spread across America, the need for land-grant colleges to train manpower in agricultural and mechanical arts was felt. With the continued growth of a technological society, greater numbers of more highly educated graduates became increasingly urgent. Thus sputnik spurred the national interest in more trained manpower in science and in scientific research. During the last decade, there has been increased impetus for trained manpower in the health sciences, in environmental sciences, and in energy research.

The growing support of higher education by the federal government over the last century has been to support national policy needs -- in manpower training and research. Institutions were supported to carry out

these specific needs -- thus the Morrill Act of 1862 to provide funds for the land-grant colleges.

The need for increased manpower during the time of sputnik involved federal funds for research and equipment through several federal agencies, aid in construction of facilities, and loan aid through the National Education Defense Act as well as graduate fellowships to increase highly trained manpower in specified areas.

The 1960's saw the passage of several federally-mandated social programs providing for access to postsecondary education of the nation's disadvantaged students, and the policy of student access still remains a priority federal goal of the 1970's. Thus federal policy toward higher and postsecondary education has been to support national needs -- not institutions in their own right or for their own sake. In fact, federal policy since 1972 has moved toward the direct assistance of students, and institutional assistance has been given primarily to developing institutions who serve, for the most part, disadvantaged students.[1] Educators, who support higher education as an inherent good, tend to forget this primary emphasis of federal policy.

Although there have been policy discussions about the federal role in postsecondary education in the Department of Health, Education and Welfare (HEW) and elsewhere during consideration of the Higher Education Amendments of 1972 and 1976, there really is no overall federal policy toward postsecondary education. And it is hard to shape federal policy from HEW, because that department currently provides about 44 percent of the federal funds to postsecondary students and institutions, while 25 other cabinet-level departments and agencies provide 56 percent of the funds.[2]

In a more recent study on the federal role in postsecondary education for the National Center for Education Statistics (NCES), Christoffel and Rice (1976, p.5) found, as The Second Newmann Report (1973) had in 1973, that "no coherent federal postsecondary education policy exists, just as no single federal agency administers a majority of programs." The authors identified five current, major areas of federal policy issues relating to postsecondary education as: (1) providing equal educational opportunity; (2) meeting manpower needs; (3) promoting recurrent education; (4) stimulating education diversity; and (5) encouraging research in the national interest. If funding levels indicate priorities among these, the federal policy priorities are for (1) access and manpower needs, (2) educational diversity and research, and (3) recurrent education.

Policy at the state level traditionally has had a somewhat different focus. The Constitution left education as a responsibility of the states. Therefore, state legislatures have regarded the support of higher education institutions as part of their responsibility. The tremendous growth of state systems of higher education also can in part be attributed to access and manpower needs at the state level.

With the massive investment of public funds into federal and state programs in higher education, the need for large data collection efforts became necessary -- data to assess demand, data to evaluate progress toward goals, and data to account for the distribution and use of funds. In the Education Amendments of 1974, NCES was transferred from the Office of Education to the Office of the Assistant Secretary for Education and its responsibilities enlarged from basic statistics on education to more complete statistics on education in order to report to Congress yearly on

the condition of education. NCES was also charged with the responsibility of forming a consortium with other federal agencies to supply and provide "direct access" to education data to public and private agencies and individuals. The "condition" of education implies that NCES must be able to present statistics which document the condition of the total educational scene in the United States: a formidable task at the very least.

The Role of the Independent Sector

But where does the independent sector fit in this total enterprise of education? Until the early nineteenth century, it was the only sector providing higher education. Independent institutions enrolled the majority of students in higher education until 1950. With the tremendous growth of the public system of higher education in the 1950's and 1960's, its enrollments have stabilized at about 22 percent of the students.[3] National policy has always recognized a dual system of higher education -- both public and independent -- and federal policy generally has been neutral about the distribution of funds between the public and independent sectors. However, at the state level, institutional support has gone primarily to public institutions.

In the late 1960's it became clear to many observers that independent institutions were in financial trouble, and that the nation was in danger of losing many of these institutions if their public contribution to the education of citizens was not taken into account in state planning, coordination and funding program. The essential problem was a lack of statewide planning which took into account the offerings, capacity and services of this sector. The growing gap between tuition at independent institutions

and tax-subsidized institutions was creating financial barriers preventing students from attending institutions of their choice. A heavily subsidized public sector had created a market situation in which independent schools found it increasingly difficult to attract students. Federal policies through cost sensitive student assistance programs since 1972 have helped to offset those accelerating trends, and enrollment distribution among the sectors has remained relatively stable since 1973.

The development of the State Student Incentive Programs has helped maintain the concept of diversity at the state level. Presently, 49 states have state scholarship grants available to state residents to attend schools of their choice and seven states have grants which are portable.[4] In addition, the creation of 1202 Commissions with representatives from the independent sector has stimulated some state recognition in statewide planning of the independent sector in meeting the postsecondary education needs of citizens.

The Impact of Federal and State Data Collection Upon the Independent Sector

Has federal support of a dual system of education led to data collection at the federal or state level which adequately describes the condition of independent institutions? Data collection which already has become far too burdensome for both sectors is even more costly and time consuming for the independent sector. In most cases, independent institutions must bear the full burden of data collection and reporting at both the federal and state levels whereas the states provide at least partial offsets against the cost of data collection for state institutions through the budget process. If the independent sector participates in statewide planning, it

bears the cost of data collection except for rare "one-time only" reports by special commissions. Only in the state of New York does the Commission on Independent Colleges and Universities receive state funding for master planning.

By contrast, in California (where there are 92 accredited independent institutions), the Postsecondary Education Commission depends on each of the major state systems and the independent and proprietary sectors to maintain their own data systems.[5] The community college system, the State Colleges and University System and the University of California do have their own systems which are supported by public funds. The independent sector does not have a data system. Sometimes in the past, the Commission has assisted in funding a study of the financial condition of the sector. However, in order for the independent sector in California to participate in master planning in California, the Association of Independent California Colleges and Universities request funds from the Ford Foundation to help assist in the collection and analysis of data for this project. Furthermore, in some states where the independent sector would like to participate, the financial ability to collect and analyze the data is lacking. Independent institutions are in the peculiar position of having to support data collection efforts at their own cost. In many cases, the price of participation has been too high.

What information does the federal government presently collect and how useful is it for public policy purposes to independent institutions? The Higher Education General Information Survey (HEGIS), administered by NCES, collects the following information from higher education institutions: (1) institutional characteristics, (2) degrees conferred, (3) fall enrollment,

(4) residence and migration, (5) enrollment by field, (6) all employees (including faculty), (7) financial statistics, (8) college and university libraries, (9) college and university facilities, and (10) adult/continuing education. Some surveys are on an annual basis while others are collected less frequently.

How much of the HEGIS data really is useful to institutions? This year NCES has made more of an effort to release data on fall enrollment, faculty salaries and finance much earlier than in the past. Such information is very important and useful. However, global data -- by state and by institutional type -- does not allow analysts to pinpoint problems within the several sectors of higher education institutions. And HEGIS finance data which is released does not give sufficient information on institutional expenditures and balance sheets to be useful in monitoring the financial condition of institutions.

Furthermore, the NCES classification system is far too broad and undifferentiated to allow analysis of differences among the diverse array of institutions in the independent sector. The independent sector data is divided into only three categories -- universities, other four-year and two-year institutions -- ignoring more discreet and important divisions by degree of institutional selectivity, and type of control ranging from independent (non-sectarian) to various church-related schools, and church-supported schools by denomination. For example, the revenue sources of church-supported schools which are far more dependent on church support and private giving, are quite different from independent institutions of various types who may depend more on endowment, charitable contributions, and public funding. Such descriptors are important in monitoring the

financial condition as well as the diversity of the sector. Thus some sections of HEGIS could be made more useful for independent institutions, while others -- particularly the institutional finance survey -- need substantial changes, and even then, the information is almost two years old at publication.

Even though federal policy supports a dual system of higher education, most emphasis in data collection has been to support the development of a coordinated data collection between the federal government and the states. The plan in itself deserves support for its conception, for the Federal-State Level Information Base (SLIB) project funded by NCES and the network of State Higher Education Executive Officers (SHEEO) (also funded by NCES) were both created to avoid duplicative data collection efforts and to assure comparability of data where there is an overlap.[6] The network tying together SHEEO with NCES provides for involvement of the states in proposed data collection changes or additions by NCES in addition to a vehicle for sharing information among the states. Thus the needs of the public sector and the federal government are reviewed and supported, but the independent sector (the other part of the dual system) has been allowed to fend for itself at worse or given only token representation at best.

Although the Task Force of the SLIB project, conducted by the National Center of Higher Education Management Systems (NCHEMS), has a representative from the independent sector, the thrust of the state level information base is to develop a data core for state planning, and thus most of the members represent the public sector through state agencies and public universities. The data collected for state planning varies by the statutory authority given commissions of higher education in each state. In a majority of

states, this planning gives heavy, if not total emphasis to the public sector. With such planning for data collection at the state level, some of which could be valuable to independent institutions were they adequately represented, there appears to be a tilting in the balance of federal support of a dual system to generous support of the public sector. This situation may be unavoidable due to the historical lack of concern for the independent sector by a majority of states. (There is more involvement of the independent sector in New York, Pennsylvania, California and Illinois in statewide planning.)

A New Structure for the Independent Sector

Because of this lack of responsiveness to the needs of the independent sector at both the federal and state levels, the National Association of Independent Colleges and Universities (NAICU) was founded in 1976 to provide a "national voice for independent higher education" and to develop a system of cooperation and information sharing among its state associations. The first priority of the NAICU Office of Research during its formative period was to create a State-National Information Network for Independent Higher Education. This Network was formed to serve five primary objectives:

1. Monitoring Research: One of the major problems facing the independent sector is access to key research reports or to data collected at the federal and state levels. Access to federal data has improved since the formation of the Network, for NCES is providing both the national office and executive officers of the state associations of independent higher education with early releases of survey data. At the state level, progress

is very slow, but the purpose of the Network is to increase the access of independent sector representatives to data collected by state agencies.

2. Defining and Clarifying Descriptors: Both NCES descriptors and the Carnegie Classification scheme leave much to be desired in the classification of independent institutions. NCES reports data in the general classification of universities, other four-year and two-year by control. The Carnegie Classification is more detailed, for it does attempt to categorize institutions by mission and selectivity in somewhat more detail. However, neither classification scheme deals with the diversity of control in the independent sector. Independence can mean non-sectarian, church-related and church-supported, and the variation of church support by various sectarian groups can be wide ranging. These distinctions can make a tremendous difference in the financial profile of institutions in program trends, and in student assistance among more than 1500 independent institutions. These distinctions can also be important in determining the impact of state and federal student assistance programs upon these institutions as well as the level of involvement in federal and, at times, state categorical programs. None of these breakdowns is available under either classification scheme. But in order to analyze the condition of the independent sector and the students it serves, such descriptors are necessary.

3. Preparing Issues Files: State association executives need issues files which contain data at the federal and state levels on enrollment and demographics, participation, completion and attrition rates, program choices and student characteristics. Some of these data presently collected need to be reformatted for use by the independent sector. There is also a need for the collection of data on students not adequately collected by

federal or state governments for use by independent institutions. The Network presently provides information on enrollment, demographics and finances as well as detailed information on federal student assistance and categorical programs on a state by state basis to independent institutions. This information is presently collected by NCES and other federal agencies. Two other surveys -- state scholarship programs and state legislative programs of the independent sector -- are conducted by the Network.

As the Network develops, the issues files will contain information, analyses and data from various sources in the following areas: (1) state/federal student assistance programs; (2) state/federal categorical and institutional assistance programs; (3) financial trends and indicators; (4) state/federal legal issues, regulations and reporting; (5) enrollment trends and projections; (6) statewide coordination and planning; and (7) state association activities and services. The first six categories reflect the information needs of the independent sector in order to develop its own or to respond to public policy priorities at the federal and state levels.

4. Disseminating Information: Information, analyses and public policy studies of concern to the independent sector shall be disseminated through the state associations to the institutions they serve. Such a dissemination process has become necessary since information is not passed automatically to state associations of the independent sector. The Network also wants to encourage federal agencies, which support information sharing with the public sector, to include the independent sector. In many cases, the Network presently pays for the dissemination of this data. In some cases, it has to pay for the reprinting of information sent by public

agencies at no cost to representatives of the public sector. Thus in several instances, the independent sector must bear the cost of data collection and reporting as well as access to public information.

5. Developing Strong State Associations: The development of a strong system of state associations for the independent sector is increasingly important in order to provide more forceful representation for the independent sector at the state level. The Network will engage in several activities to support this objective among which are: forming committees of state executives who will become experts in each of the major policy areas; developing a consultant guide for use by the states; publishing manuals for use by state executives in various policy areas; and conducting occasional regional workshops.

Major Policy Concerns of the Independent Sector

Students at independent institutions pay 67.3 percent of the cost of their education in tuition while students at public institutions pay for 20.5 percent of their education in tuition.[7] In general, independent institutions are three times as dependent on tuition revenues as public institutions. A change in the distribution of students or of federal, state and private financial assistance could upset the whole financial balance of independent institutions. Other sources of revenue, such as private gifts and endowment are equally important. The combination of all forms of student financial assistance and private gifts and endowment account for about 45 percent of total revenues at independent institutions nationally[8] and this percentage varies by type of institution within the sector. The difference in revenue sources between the public and independent

sectors demands more detailed data from balance sheets than is presently collected in HEGIS. Such information is crucial in order to monitor the financial condition of independent institutions.

To alleviate this situation, NAICU sponsors the survey of the financial and educational trends in a national sample of 135 institutions expanded in 1977 to include research universities and two-year colleges. W. John Minter and Howard Bowen review the HEGIS documents as well as salary information, audited financial statements, and voluntary support surveys at these institutions. In addition, institutions provide information from various offices on enrollment, student financial aid, facilities, housing and program information. With eight years of longitudinal data, this sample provides reliable information nationally on the condition of the independent sector. Several state associations and national associations of independent higher education also use Minter Associates for financial surveys of their institutions. Such data is proving invaluable for policy analysis at the state and national levels as well as for planning at the institutional level.

Although independent institutions bear much of the cost for data collection and reporting in the national sample, their cooperation has been sustained through institutional reports which are returned to them and the value of the sample for public policy deliberations. Demonstrating the usefulness of data collected for the national sample at the operational level of the institutions has been a key to the accuracy of reporting by institutions.

The national sample also has proven valuable for "quick response" surveys for trend data and public policy issues of special concern to independent institutions. It has been used to survey anticipated fall

enrollment, actual fall enrollment and for impact studies on various social security proposals. The sample will become even more important to monitor financial and educational trends over time in the independent sector, particularly as dwindling enrollments from the traditional 18-to-24 year-old population become a reality in the 1980's.

Although the national sample provides institutional data, the independent sector lacks adequate data on the characteristics of students attending its institutions. Several national commissions which have examined the federal role in postsecondary education over the past decade have recommended the need for better data about students. Most recently Christoffel and Rice (1976) and McCoy (1977) have recommended that the federal government collect more student data to assess its major policies of student access in all of postsecondary education. Although these authors list the data elements needed in great detail, in general they conclude that data is needed on participation rates, on the characteristics of those receiving financial aid, on the characteristics of students who do not pursue postsecondary education, and on those who choose to participate later in life. Data is also needed on the relation of education to work, both on an entry basis and in recurrent education.[9]

At the present time very little data is collected on student characteristics on a regular basis other than demographics and enrollment at either the federal or state levels. Although a few states from time to time have engaged in surveys of high school students and NCES conducts the National Longitudinal Study of high school graduates of 1972, there is no data collection on a sample basis to monitor the changing characteristics of students over time. This type of data is necessary at the

federal level to monitor student access and manpower needs. It is crucial also to independent institutions in order to monitor the distribution of aid to students at the federal and state levels, and to determine whether students of different races, ethnic groups and income levels have access to institutions of their choice.

Since there seems to be little hope that NCES will collect such information before 1983, according to its present five-year plan, NAICU has been forced to respond to the public policy needs of independent institutions by instituting a survey of student aid recipients from the freshman year through graduate school at independent institutions. The pilot survey of eleven institutions will be completed this spring. It remains to be seen whether enough financial support can be secured to expand and complete the survey. But without this survey as well as a poll of high school seniors and follow-up studies of students on a regular basis, independent institutions are at a loss in providing accurate data about student access and financial need in the arena of public policy discussions. And, incidentally, I might add, so are the public institutions.

Of the pilot states participating in the SLIB project, six of the eight states are only collecting information on student financial aid on an operational basis (number of grants and recipients).[10] And the federal government is not collecting data on student characteristics other than in the National Longitudinal Study. The independent sector is asked to bear the burden of data collection and reporting in many areas to support statewide planning and federal requirements, but its public policy needs for the most go unheard, if not unrecognized.

Implications for Institutional Research at Independent Institutions

In light of present data collection efforts, the burden for the condition of the independent sector will fall upon institutional researchers. These researchers will need to collect the following additional data to monitor the condition of their institutions as demographic decline sets in: (1) information on the characteristics of recipients and non-recipients of financial aid at their institutions; (2) surveys of those students who are accepted and do not attend; and (3) market surveys to determine student knowledge as well as interest in the institution's programs as well as availability of financial aid. Although collecting this information may be costly and time consuming, it will be a necessary investment for institutional survival. As such it will at least be <u>useful</u> information for institutions as well as for policy-makers and at this juncture, until state and federal agencies truly respond to the institutional needs of the independent sector, we have no other choice.

NOTES

[1]For more detailed information about the funding history of federal programs, see Fadil and Thrift, comps. (1977).

[2]National Commission of the Financing of Postsecondary Education (1973, p. 107).

[3]A Fact Book on Higher Education, ACE (Second Issue, 1976).

[4]Boyd (1977).

[5]California Case Study, SLIB-NCHEMS Participants Meeting (May, 1978).

[6]McCoy (1978a, 1978b).

[7]Lind (1978).

[8]National Sample of Independent Higher Education, John Minter Associates, 1978.

[9]Christoffel and Rice (1976); McCoy (1978b).

[10]Summary of Data Collection Activities of SLIB States, SLIB-NCHEMS Participants Meeting (May, 1978).

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